

# California State Bar Intellectual Property Section

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Litigation Committee  
Katherine C. Spelman  
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# Prefiling Investigation and Preparation for Copyright Infringement

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- “If you don’t know where you are going, you might end up somewhere else”.

- Yogi

Berra

# What We'll Cover:

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- Pre-filing Investigation
- Jurisdiction
- Standing and Parties
- Pleading and Proving a Claim
- Injunction & Bond
- UBBR Remedy: Seizure & Impound

# Before You File

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- Have Copyright Registration in hand;
- Select your defendant carefully;
- Have the end clearly in mind; build the on-ramp to get there;

# Standing to Bring Suit

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- Standing only available for ‘concrete and particularized’ injury that is ‘imminent’;
- Plaintiff must ‘own or control’ copyright
  - Author or claimant
  - Exclusive licensee

# Declaratory Judgment Standing

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- No standing if the hypothetical coercive action could not be brought by the traditional plaintiff; no registration/no standing -Weitzman v. Microcomputer

542 F.3d 859 (11<sup>th</sup> Cir. 2008)

# Only an Issued Registration Counts

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- Section 411(a) “... no action shall be instituted until registration or preregistration of the copyright claim has been made...”
- *Gagle-Leigh, Inc. v. North Am. Miss.*, 2001 U. S. Dist. LEXIS 25614 (C.D. Cal. Apr 9, 2001)

# PreRegistration?

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- 2007 amendment to the Copyright Act provides a registration for works that have had a history of prerelease infringement. To be eligible for preregistration, a work must be unpublished and must be in the process of being prepared for commercial distribution. § 411 (motion picture, phonograph...)



# Exceptions to the “Must Have” Gating Registration

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- Visual Artists Rights Act (VARA §106(a));
- Works by Foreign Nationals not published in the United States (Berne compliance); and
- Works that consist of sounds and/or images the first fixation of which is simultaneously transmitted may sue without a registration in hand provided that expedited registration is sought within 48 hours of transmission §411 (b)

# The Denial of a Registration As a Basis for a Claim

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- If you are denied a registration, that denial is the basis for filing an action but not a copyright infringement action. *Loree Rodkin Mgmt. v. Ross-Simons*, 315 F.Supp. 2d 1054 (C.D. Cal, 2004)
- With a denial of a copyright registration, you may file an appeal of that refusal to federal court (after you fulfill the copyright appeal process inside the Copyright Office)

# When the Registration is Obtained Determines the Damage Options

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- Three time lines for understanding copyright damages available:
  - Reg obtained BEFORE infringement= option of statutory or actual damages;
  - Reg obtained AFTER infringement = statutory damages ONLY; and,
  - ‘Busy person rule’ – Reg obtained within 90 days of first publication = option of statutory or actual damages.

Section 412

# Expediting a Copyright Registration

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- Special Handling

- Circular 10 <http://www.copyright.gov/circs/circ10.pdf>
- \$685 fee to Copyright Office
- Only granted if specific circumstances – imminent litigation being one
- Best efforts at registration within 10 working days of receipt

# Statute of Limitations

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- 3 years from date that the claim is accrued (Section 507)

# Selecting the Defendant:

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- Personal liability
  - Of individuals
  - Of corporations
  - Of corporate officers
    - *Riverdeep Interactive Learning, Ltd. v. MPS Multimedia, Inc.*, 2006 WL 3797962 (N.D. Cal.) (Slip Copy) 12/22/2006 a 'moving, active conscious force' behind the corporation's infringement."

# Complexities of Parties

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- Co-owners
- Joint Authors
- Third Party Rights
- Community Property
- Security Interests

# 11<sup>th</sup> Amendment

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- Government Immunity
- State or Federal only



# Different Infringer Types

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- Direct infringers
- Contributory infringers
- Vicarious infringers
- Intentional inducement
  - *MGM v. Grokster*, 125 S. Ct. 2764 (2005)

# Elements of a Copyright Claim

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- Valid Copyright Registration
- Either:
  - Unauthorized copying:
  - Access and Substantial Similarity

# Getting the Facts Documented

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- Objective verification
- Clear documentation of the infringement
- Consider hiring a Private Investigator
- Maintaining boundaries
  - Percipient witness = lawyer

# Planning to Avoid the Successful ‘Failure to State a Claim’ Motion

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- *Gottlieb Development LLC v. Paramount Pictures Corp.* (S.D.N.Y. Dec. 29, 2008), Paramount’s use of Gottlieb’s "Silver Slugger" pinball machine in the background of the scene in *What Women Want* was *de minimis* and that Gottlieb's copyright claim was not actionable.



# Motion to Dismiss for Failure to State a Claim §12(b)(6)

## Conley is out; Twombly is in

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- *Bell Atlantic Corp. v. Twombly*, 2007 WL 141046 (U.S., May 21, 2007). Twombly offers a dramatic change in the way that district courts will evaluate a motion to dismiss
- The US Supreme Court retired the old Conley test: that the plaintiff can prove no set of facts in support of his claim which would entitle him to relief” –

# No free automatic discovery

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- According to Twombly, if the complaint states a plausible claim, then the plaintiff is entitled to determine if “discovery will reveal evidence of an illegal agreement.” However, if the plaintiff’s claim is not plausible, the plaintiff is not entitled to conduct discovery. It is this relationship between pleading enough facts to state a plausible claim, on one hand, and discovery, on the other, that protects a largely groundless.

# Ex Parte TROs

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- *Fed R. Civ. P Section 65(b) authorizes TRO without notice;*
- *Local Rules usually require at least 4 hour notice to the other side unless:*
  - Danger of destruction is imminent;
  - Identity of defendant impossible to ascertain *Adobe Sys. v. South Sun Prods.* 187 F.R.D. 639 (S. D. Cal, 1999)

# Bond

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- F. R. Civ Pro Section 65(c) provides for the moving party posting a bond as security against the wrongful issuance of the injunction recompensing the defendant;
  - Unclear that any amount is necessary;
  - Normal to get some amount ordered for bond;
  - Bond amount as rider policy to insurance



# Rarefied Air: Seizure and Impound Orders

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- Braided code sections: the Copyright Act, 17 U.S.C. § 503; the All Writs Act, 28 U.S.C. § 1651(a); and Rule 65(b)
- United States Supreme Court Copyright Practice Rules (1909) 1 for Practice and Procedure Under Section 25 2 of an Act to Amend and Consolidate the Acts Respecting Copyright, Approved March 4, 1909 (Rules 3 - 13)

# Particulars of Rules of Practice

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- Rule 3. Statement of circumstances including location, means of production;
- Rule 4. Bond posted in an amount ‘not less than twice the value of the copies and means of copying’;
- Rule 4-7. Federal Marshall to effect seizure using whatever force is necessary and to hold during pendency of action

# Thank you.

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## Questions?